

Department of Social and Health Services

DP Code/Title: PL-UU AAA Nursing/Case Management Srvcs
Program Level - 050 Long Term Care Services

Budget Period: 2003-05 Version: E2 050 2003-05 2004 Sup-Agency Req

Recommendation Summary Text:

This decision package requests an increase in funding of Case Management and Nursing Services provided by the Area Agencies on Aging (AAAs) for in-home long-term care clients. Statewide result number 5.

Fiscal Detail:

Operating Expenditures

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
001-1 General Fund - Basic Account-State	351,000	2,710,000	3,061,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	386,000	2,982,000	3,368,000
Total Cost	737,000	5,692,000	6,429,000

Staffing

Package Description:

This proposal will bring the funding and staff in-line with the workload model recommendations developed from the July 2002, Sterling and Associates time study of Aging and Disability Services Administration (ADSA) and AAA staff.

In 1995, the passage of House Bill 1908 made AAAs the providers of ongoing case management for in-home long-term care clients under the Community Options Program Entry System (COPEs), Medicaid Personal Care, and Chore programs. Currently, there are approximately 25,000 in-home clients under management by the AAAs. After initial care authorization by the Department of Social and Health Services (DSHS) staff, the AAAs are responsible for managing all aspects of the case until the client no longer receives in-home services. That includes reassessment of eligibility, updating and monitoring the plan of care, coordinating local community services in response to the clients' need, responding to emergencies and status changes, and providing additional assistance that may help the client remain in his or her home.

The current workload formula sets a target ratio of 85:1 clients to case managers and 650:1 clients to nurses to accomplish case management. Staff is funded based on a cost per FTE, which is set by the Legislature. There has been ongoing concern since 1995 about whether the current staff ratio targets are adequate. In 2002, ADSA contracted with Sterling and Associates to conduct a workload study to determine if the staff ratio and level of funding provided was sufficient to ensure that all required activities would be completed.

Sterling and Associates conducted a time study of a representative sampling of both ADSA and AAA staff in July of 2002. The AAA portion of the study indicates that, on an average, it takes approximately 30 hours of case manager, case aide, and nursing time, per-year, to manage an in-home case. At current levels of funding, the AAAs are unable to purchase sufficient hours per-case, per-year.

There are approximately 366 AAA case managers, case aides, and nurses in place under current funding. The Sterling workload standards model concludes that 435 FTEs are necessary to complete all required activities. It is important to note that the Sterling study did not look distinctly at case manager and nursing FTE's but rather at all staff involved in carrying out case management functions. Sterling's approach produces a better gauge of the workload across multiple staffing classifications.

Beginning in May 2004, this proposal will add approximately 69 case managers, nurses, and case aides to the AAA case management system, to allow resources sufficient to achieve policy compliance.

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Narrative Justification and Impact Statement

How contributes to strategic plan:

This change supports the scorecard goal of increasing the number of frail elderly and persons with disabilities who receive assistance in their homes. It also supports the ADSA strategic goal of strengthening case management services.

Performance Measure Detail

Goal: 01Z DSHS Accounts for Its Use of Public Dollars

Incremental Changes

FY 1

FY 2

No measures submitted for package

Program: 050

Goal: 03E Budget Performance and Economic Value

Incremental Changes

FY 1

FY 2

Efficiency Measures

7ED Monthly average cost per long-term care client.

\$7

\$50

Reason for change:

As part of home and community-based long-term care (LTC) programs, ADSA is required, by statute and obligations to the federal government as a condition of federal revenues, to accomplish certain case management activities as described above. Most of those activities are necessary for frail program participants to be successfully cared for at home. Ongoing problems with achieving compliance with operational policies related to those requirements has long been perceived, in part, to be attributable to lack of staffing resources at AAAs. That perception is supported by the findings of the Sterling and Associates study.

Failure to address the staffing shortfall could increase the likelihood of the loss of federal funding and negative client outcomes. If sufficient resources are not provided, existing statutes would need to be amended to allow reduction in case management requirements, possibly reducing them to a level that is below what is appropriate for the LTC population.

This proposal adds case managers, nurses, and case aides to the AAA case management system to allow resources sufficient to achieve policy compliance. The action is necessary now, since ADSA is accumulating increased evidence that current expectations can't be met with current resources. In addition to compliance are client care issues, which present the potential for significant tort liability.

Impact on clients and services:

With these resources, case management programs will be better able to meet existing targets for assessment, service implementation/coordination and, in particular, monitoring of care.

Impact on other state programs:

Better long-term care management is associated with lower acute care costs, which will positively affect MAA.

AAAs are affected by this proposal, as are advocacy groups associated with home care clients and service providers.

Relationship to capital budget:

Not applicable

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Required changes to existing RCW, WAC, contract, or plan:

Not Applicable

Alternatives explored by agency:

As an alternative to increased funding, the existing RCW could be amended to allow a reduction in case management requirements. However, the danger in this alternative is reducing the requirements to a level that is below what is appropriate for the LTC population.

More cost-effective alternative providers of case management do not exist. While further process improvements may be possible, they are not likely to yield sufficient efficiencies. ADSA has worked closely with AAAs on process improvements and cost-containment for several years. This approach was chosen because it is the only way of accomplishing the necessary activities other than through state staff.

Budget impacts in future biennia:

This is an ongoing expense that will fluctuate in future biennia based on an overall in-home caseload. Annual costs similar to Fiscal Year 2005 costs would be expected.

Distinction between one-time and ongoing costs:

This decision package only includes ongoing program costs.

Effects of non-funding:

Non-funding would require standards to be lowered, possibly below what is appropriate for adequate client care and below what will adequately protect the department and AAAs from potential misauthorization of resources and tort liability. Changes to RCW 74.39A.090 would need to be made to reduce workload expectations and monitoring requirements by case managers.

Expenditure Calculations and Assumptions:

See attachment - LTC PL-UU AAA Nursing-Case Management Srvcs.xls

<u>Object Detail</u>	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Overall Funding			
N Grants, Benefits & Client Services	737,000	5,692,000	6,429,000

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DSHS Source Code Detail

Overall Funding		<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
Fund 001-1, General Fund - Basic Account-State				
<u>Sources</u>	<u>Title</u>			
0011	General Fund State	351,000	2,710,000	3,061,000
<i>Total for Fund 001-1</i>		351,000	2,710,000	3,061,000
Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa				
<u>Sources</u>	<u>Title</u>			
19UL	Title XIX Admin (50%)	386,000	2,982,000	3,368,000
<i>Total for Fund 001-C</i>		386,000	2,982,000	3,368,000
Total Overall Funding		737,000	5,692,000	6,429,000